

The Evaluation of Limitations and Plans for Industrial Clusters in Hanoi Vietnam

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ABSTRACT

The goal of this paper is to evaluate limitations of development of industrial clusters in Hanoi Vietnam. From that authors will propose suitable solutions for development plans of industrial clusters (CCN) in the region.

Authors will use qualitative, analysis, synthesis research methods. Specifically, Among solutions is that we will recommend including but not limited to adjusting and extending the project implementation schedule for expired industrial clusters; procedures for land, site clearance; elaboration and appraisal of project feasibility study reports; environmental impact assessment report, etc.

Next, Leaders of departments, agencies and chairpersons of People's Committees of districts and towns strengthen inspection, urge and take full responsibility before the city for the implementation of plans according to their assigned functions and tasks; implement solutions to remove obstacles, shorten at least 50% of the time to carry out administrative procedures as prescribed.

Keywords: Limitations, Development plans, Industrial clusters, Hanoi.

1. Introduction

In the current context, From 2018-2020, Hanoi city has decided to establish 43 industrial clusters. In which, in 2020, 25 industrial clusters with a total area of 497.4 ha were established and investment was deployed quite smoothly because problems in planning and land were advised by departments and branches to the City People's Committee to handle.

Industrial clusters have attracted more than 3.8 thousand production and business establishments, created jobs for 60,000 workers, and paid about 1,100 billion VND/year to the State budget.

During the development process of CN - industrial clusters in Hanoi we recognize there are some limitations and need solutions to develop.

Research question

- (a) Evaluate limitations of industrial clusters in Hanoi Vietnam?
- (b) Solutions to overcome limitations and development plans for clusters in Hanoi Vietnam?

2. Literature Review

First, studies show that our development projects need to enhance risk management as well as management model, via education or research paths (Thi Hang Nguyen, Van Huan Nguyen, Dinh Tran Ngoc Huy; 2021; Le, K., & Nguyen, M; 2021; DT Tinh et al, 2021; NT Hoang, DTN Huy, 2021; TDT Vu, DTN Huy, NTH Trang, NN Thach, 2021; PN Tram, DT Ngoc Huy, 2021).

Model SERVUCTION

According to SERVUCTION model, service quality is determined by the following four groups of factors:

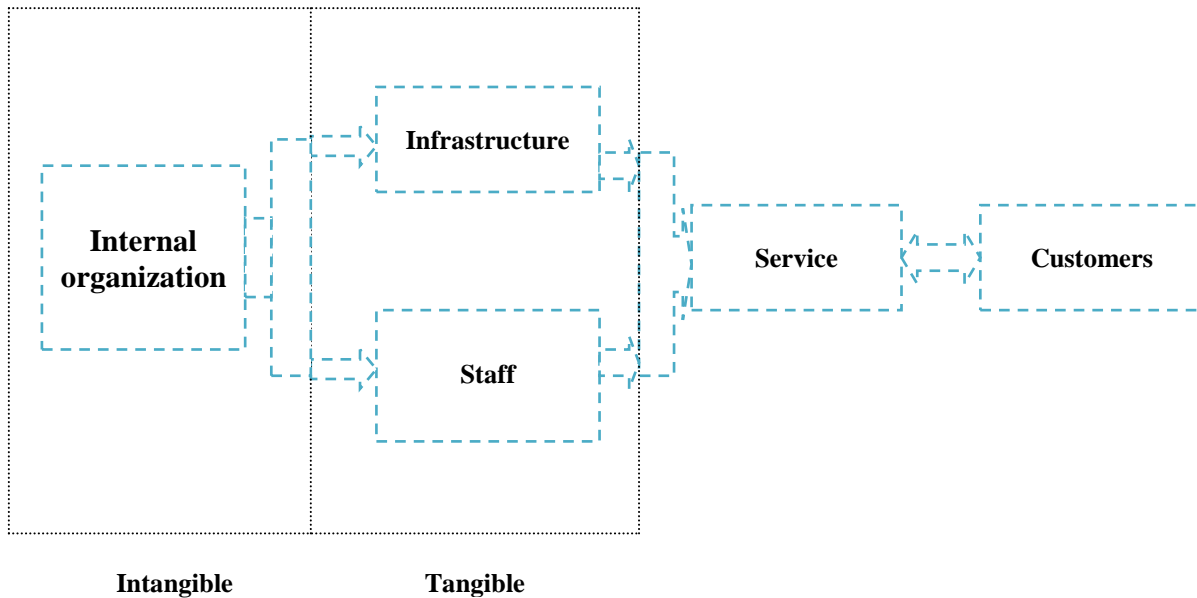


Fig.1. Service Delivery Model SERVUCTION

Next we look at below table:

Authors	Year	Content, results
Hallencreutz, D., & Lundequist, P	2003	There are lessons for policy practice from experiences of Cluster-building Processes in Sweden.
Nguyen Dinh Trung, Truong Duc Luc	2012	Operation management need to be improved for better productivity.
Kaliba	2014	Among cluster planning is plan for Capital Region Development.
Kulpina et al.	2020	Need to identify key areas in Economy Clustering and to increase Efficiency and Resource Usage for Sustainable Social and Economic Development, in case Kuzbass.
Hang, N.T., Tinh, D.T., Huy, D.T.N., & Nhung, P.T.H.	2021	Need Educating and training labor force Under Covid 19 for globalization demand.
Hai, N.T et al.	2021	We need to improve management skills for clusters/projects.

(Source: author synthesis)

Beside, Do Thu Huong, Dinh Tran Ngoc Huy, Nguyen Thi Hang, Pham Thi Huyen Trang, Duong Thi Ngu. (2021) also pointed risk management solutions needed to reduce risks for economic and construction projects.

3. Methodology

The author intends to use will use qualitative, analysis, synthesis research methods. Relevant regulations and plans of clusters in Hanoi also researched.

Then authors use dialectical materialism method to complete this paper.

4. Main findings

4.1. Limitations of industrial clusters in Hanoi Vietnam

We can not deny that Hanoi industrial clusters had contributed much for national budget. However there still are some limitation such as:

Over the years, City. Hanoi has promulgated many mechanisms and policies, which define the construction and development of industrial parks, industrial zones, industrial zones - handicraft villages and consider them an important solution for industrial development. industry of the city. However, at present, there is still a lack of mechanisms and policies to promote the development of zones, industrial clusters and handicrafts. Moreover, it was not until October 2009 that the Government had a unified regulation on the management of industrial zones, but before that, Ho Chi Minh City. Hanoi has issued mechanisms and policies for investment, construction, and operation management of industrial zones in accordance with local practical conditions. Therefore, there are still many shortcomings in state management, application of standards and standards on construction investment.

In particular, after adjusting the administrative boundaries, the city's socio-economic development conditions and factors have changed dramatically. Most of the zones and industrial zones in the city have to be temporarily suspended to focus on reviewing the planning; implementing infrastructure construction at the CCNs being deployed. In addition, the progress of construction of technical infrastructure of industrial zones is slow due to difficulties in capital sources, site clearance, and complicated administrative procedures. Many industrial zones planned and built asynchronously and fully technical infrastructure works according to regulations, especially environmental treatment items. The arising social problems have not been thoroughly solved such as: creating jobs for farmers whose land has been recovered, environmental and social problems, etc.

The management and operation of industrial parks still have many shortcomings and limitations, especially for industrial zones invested by the People's Committee of the district. The situation of investment projects not being implemented or implementing improperly licensed investment projects, using land for improper purposes still occurs; implementation of regulations on environmental management is still limited.

4.2. Plans for developing industrial clusters (CCN) in Hanoi

Because of above limitations we need to overcome them and propose some recommendations as follows:

First, With the goal of transforming the capital's economic structure in the direction of industrialization and modernization, the city's industry will focus on industries with comparative advantages such as high technology,

biotechnology, new materials, and other industries. the main industry of the country's economy; pay special attention to environmental protection requirements.

In order to achieve this goal, the city needs to quickly review and make planning for the development of industrial zones and clusters in the area until 2020, with a vision to 2030. Orientation for planning and construction of zones and industrial zones in the province. suburban districts, areas with low agricultural land use efficiency (hilly areas, low-lying areas, etc). Minimizing the conversion of rice land to the development planning of zones and industrial zones. Focus on developing hi-tech zones and industrial zones; biological zones and industrial zones to maximize the potential, advantages and needs of the city's harmonious and sustainable development in the future.

Second, as planned, Hanoi Department of Industry and Trade is implementing specific solutions to speed up the construction progress of projects. In which, the most important task is that the Department of Industry and Trade will coordinate with the Department of Natural Resources and Environment to complete the dossier for the Hanoi People's Committee to submit to the Prime Minister to apply for the conversion of rice land; along with that is to immediately complete the issuance of construction permits with qualified industrial clusters.

At the same time, urge investors and localities to apply for adjustment and extension of the project implementation schedule for expired industrial clusters; elaboration and appraisal of project feasibility study reports; environmental impact assessment report.

On the part of the localities, together with the coordination to remove each existing problem, it is necessary to speed up the approval of the detailed planning of 1/500 scale of industrial clusters according to their competence; granting construction permits for qualified industrial clusters, must not cause difficulties for investors. In addition, it is necessary to promote propaganda so that people whose land has been recovered to build industrial clusters agree with the compensation and support plan according to regulations.

Third, The city requires quick completion of procedures and conditions to strive to start construction of technical infrastructure for 41 industrial clusters that have been decided to establish in the 2019-2020 period in 2022. Some industrial clusters have specific characteristics. Enemies, difficulties and obstacles can be considered to determine the time to start construction of technical infrastructure in accordance with actual conditions. In particular, it is required that leaders of departments, agencies and chairpersons of People's Committees of districts and towns strengthen inspection, urge and take full responsibility before the city for the implementation of plans according to their assigned functions and tasks. ; implementing solutions to remove obstacles, shortening at least 50% of the time to carry out administrative procedures.

5. Discussion and Conclusion

We need to enhance The coordination between the the government agencies and investors and the time to handle and fix the problems faster.

Second, we need to enhance training staff and workers for doing all the responsibilities and tasks assigned so that they could understand the meaning and importance of the need to improve the quality of work in such projects. It means that, in each construction project, we need: Develop a reasonable monitoring, evaluation and reward

mechanism to motivate people to work hard; and Conduct ongoing training. It is necessary to regularly organize training courses for staff so that they can work with a high sense of responsibility, wholeheartedly in the work, focusing energy and intellect on the assigned work.

Third, project staff must have a spirit of cooperation, mutual help, information to solve work with high quality and efficiency for the common benefit, keeping the workplace green, clean and beautiful.

Last but not least, Some industrial clusters with specific characteristics, still facing difficulties and obstacles, can be considered to determine the time to start construction of technical infrastructure in accordance with actual conditions.

Specific solutions include adjusting and extending the project implementation schedule for expired industrial clusters; procedures for land, site clearance; elaboration and appraisal of project feasibility study reports; environmental impact assessment report.

Leaders of departments, agencies and chairpersons of People's Committees of districts and towns strengthen inspection, urge and take full responsibility before the city for the implementation of plans according to their assigned functions and tasks; implement solutions to remove obstacles, shorten at least 50% of the time to carry out administrative procedures as prescribed.

For investors in the construction of technical infrastructure of industrial clusters, the city requires to ensure that construction begins on schedule, prepares resources for the project to be completed on schedule; proactively call for, attract and receive investment projects in industrial clusters on the basis of approved detailed planning and business lines; Prioritize investors and projects using new and high-tech technologies, minimizing environmental pollution.



(Source: author synthesis)

Fig.2. Hanoi city clusters

Finally, However, due to the global outbreak of the COVID-19 epidemic, businesses have to face new difficulties such as high raw material prices, up to 30% in some types, and 3-4 times increase in logistics costs.

In order to help businesses develop, we would propose the Hanoi People's Committee to support in terms of land for businesses to stabilize investment in production as well as procedures. administration, training human resources for trade promotion, product consumption, cargo clearance and customs clearance, transportation.

Bergman & Feser (1999) pointed that Industry clusters refer to the tight connections that bind certain firms and industries together in various aspects of common behavior, e.g., geographic location, sources of innovation, shared suppliers and factors of production, and so forth. Industry cluster concepts date from the last century, but they have captured the imagination of active policymakers and the serious attention of scholars only in the last decade of this century. Because clustering behavior is such a pervasive aspect of modern economies and global trade, it draws the attention of many different disciplines and benefits from their scholarship. Although a consideration of research on this topic might alone justify book-length treatment, industry cluster concepts are also powerful metaphors that are used routinely to guide industrial and regional development planning throughout the world.

Research limitation

Authors can make further researches on standards of construction projects of clusters.

Declarations

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Competing Interests Statement

The authors declare no competing financial, professional and personal interests.

Consent for publication

Authors declare that they consented for the publication of this research work.

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